

The Investment Company of America[®]

Retirement Plan Prospectus

March 1, 2003

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The Securities and Exchange Commission has not approved or disapproved of these securities. Further, it has not determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Risk/Return Summary

The fund seeks to make your investment grow and provide you with income over time by investing primarily in common stocks that offer growth and dividend potential.

The fund is designed for investors seeking both capital appreciation and income. Your investment in the fund is subject to risks, including the possibility that the fund's income and the value of its investments may fluctuate in response to events specifically involving the companies in which the fund invests, as well as economic, political or social events in the U.S. or abroad.

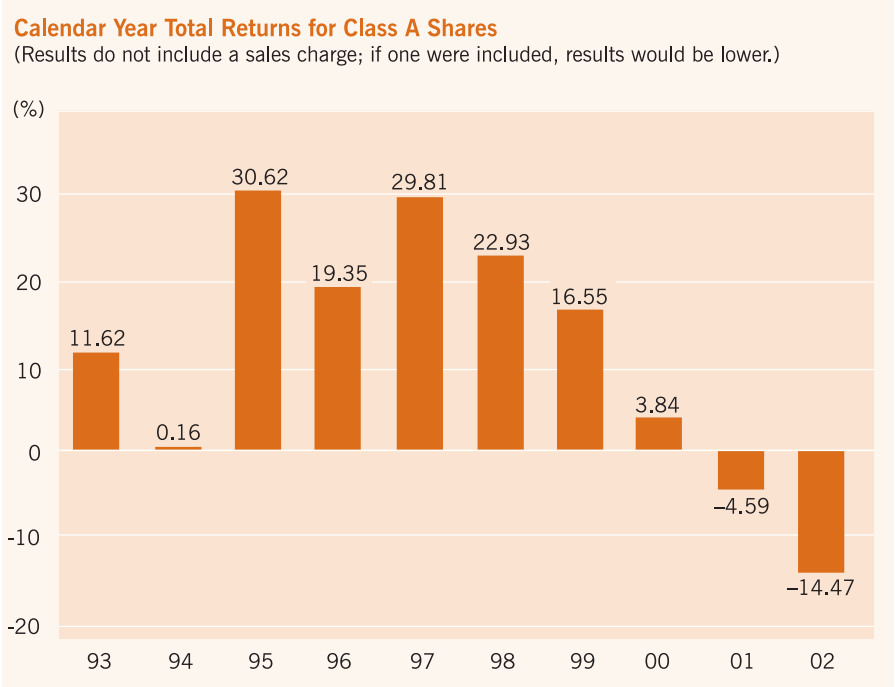
The fund's equity investments are limited to securities of companies that are included on its eligible list. The eligible list is reviewed and approved by the fund's board of directors at the recommendation of Capital Research and Management Company, the fund's investment adviser.

Your investment in the fund is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, entity or person.

You may lose money by investing in the fund. The likelihood of loss is greater if you invest for a shorter period of time.

Historical Investment Results

The following information provides some indication of the risks of investing in the fund by showing changes in the fund's investment results from year to year and by showing how the fund's average annual total returns for various periods compare with those of a broad measure of market performance. Past results are not an indication of future results.



Highest/lowest quarterly results during this time period were:

- Highest** 17.34% (quarter ended December 31, 1998)
- Lowest** -14.51% (quarter ended September 30, 2002)

Unlike the bar chart on the previous page, the Investment Results Table below reflects, as required by Securities and Exchange Commission rules, the fund's investment results with the maximum initial sales charge imposed. Class A share results reflect the maximum initial sales charge of 5.75%. Sales charges are reduced for purchases of \$25,000 or more. Results would be higher if calculated without a sales charge. All fund results reflect the reinvestment of dividends and capital gain distributions.

Because the fund's Class R shares were first available on May 15, 2002, comparable results for these classes are not available for the 2002 calendar year.

Unlike the Investment Results Table below, the Investment Results Table on page 7 reflects the fund's results calculated without a sales charge.

Investment Results Table (with maximum sales charges imposed)

Average annual total returns for periods ended December 31, 2002:

	One Year	Five Years	Ten Years	Lifetime ¹
Class A - began 1/1/34	-19.39%	2.74%	9.98%	12.72%
S&P 500 ²	-22.09%	-0.58%	9.34%	11.14%
Lipper Growth and Income Index ³	-17.89%	-0.62%	8.31%	N/A
Lipper Large-Cap Value Index ⁴	-19.68%	-0.39%	8.72%	N/A

Class A 30-day yield at December 31, 2002: 2.15%

(For current yield information, please call American FundsLine at 1-800-325-3590.)

¹ Lifetime results are measured from the date Class A shares first became available.

² The Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged.

³ The Lipper Growth and Income Fund Index is an equally weighted performance index that represents funds that combine a growth-of-earnings orientation and an income requirement for level and/or rising dividends. The results of the underlying funds in the index include the reinvestment of dividends, capital gain distributions and brokerage commissions paid by the funds for portfolio transactions, but do not reflect sales charges or taxes. This index was not in existence as of the date the fund began investment operations in 1934; therefore, lifetime results are not available.

⁴ The Lipper Large-Cap Value Index is an equally weighted performance index that represents funds which, by practice, invest at least 75% of their equity assets in companies with large market capitalizations. Large-cap value funds seek long-term growth of capital by investing in companies that are considered to be undervalued relative to a major unmanaged stock index based on price-to-current earnings or other factors. The results of the underlying funds in the index include the reinvestment of dividends, capital gain distributions and brokerage commissions paid by the funds for portfolio transactions, but do not reflect sales charges or taxes. This index was not in existence as of the date the fund began investment operations in 1934; therefore, lifetime results are not available.

Fees and Expenses of the Fund

Shareholder Fees Table (paid directly from your investment)

	Class A	All R Share Classes
Maximum sales charge imposed on purchases (as a percentage of offering price)	5.75% ¹	none
Maximum sales charge imposed on reinvested dividends	none	none
Maximum deferred sales charge	none	none
Redemption or exchange fees	none	none

¹ Sales charges are reduced or eliminated for purchases of \$25,000 or more.

Annual Fund Operating Expenses Table (deducted from fund assets)

	Class A	R-1 ¹	R-2 ¹	R-3 ¹	R-4 ¹	R-5 ¹
Management Fees	0.24%	0.24%	0.24%	0.24%	0.24%	0.24%
Distribution and/or Service (12b-1) Fees ²	0.23%	1.00%	0.75%	0.50%	0.25%	none
Other Expenses ³	0.12%	1.19%	0.58%	0.37%	0.24%	0.13%
Total Annual Fund Operating Expenses	0.59%	2.43%	1.57%	1.11%	0.73%	0.37%
Expense Reimbursement	N/A	0.96% ⁴	0.14% ⁴	0.06% ⁴	0.04% ⁴	N/A
Net Expenses	0.59%	1.47%	1.43%	1.05%	0.69%	0.37%

¹ Annualized.

² Class A, R-2, R-3 and R-4 12b-1 fees may not exceed 0.25%, 1.00%, 0.75%, and 0.50%, respectively, of the class' average net assets annually. Class R-1 fees will always be 1.00% of the class' average net assets annually.

³ A portion of the fund's expenses may be used to pay third parties (including affiliates of the fund's investment adviser) that provide recordkeeping services to retirement plans invested in the fund.

⁴ During the start-up period for this class, Capital Research and Management Company voluntarily agreed to pay a portion of the fees relating to transfer agent services. These reimbursements are the result of higher expenses during the start-up period. The resulting expense ratios are not indicative of expense ratios expected in the future.

Examples

The examples below are intended to help you compare the cost of investing in the fund with the cost of investing in other mutual funds. The examples assume that you invest \$10,000 in the fund for the time periods indicated, that your investment has a 5% return each year, that all dividends and capital gain distributions are reinvested, and that the fund's operating expenses remain the same as shown above.

Although your actual costs may be higher or lower, based on these assumptions, your cumulative estimated expenses would be:

	One Year	Three Years	Five Years	Ten Years
Class A ¹	\$632	\$753	\$885	\$1,270
R-1 ²	\$150	\$465	\$803	\$1,757
R-2 ²	\$146	\$452	\$782	\$1,713
R-3 ²	\$107	\$334	\$579	\$1,283
R-4 ²	\$ 70	\$221	\$384	\$ 859
R-5	\$ 38	\$119	\$208	\$ 468

¹ Reflects the maximum initial sales charge in the first year.
² Reflects expenses paid by Capital Research and Management Company.

Investment Objectives, Strategies and Risks

The fund's investment objectives are to achieve long-term growth of capital and income. The fund strives to accomplish these objectives through extensive U.S. and global research, careful selection, and broad diversification. In the selection of securities for investment, potential for capital appreciation and future dividends are given more weight than current yield. The fund invests primarily in common stocks. The fund's investments are limited to securities of companies that are included on its eligible list, which consists of securities deemed suitable by the fund's investment adviser in light of the fund's investment objectives and policies. Securities are added to, or deleted from, the eligible list by the board of directors, after reviewing and acting upon the recommendations of the investment adviser.

The prices of and the income generated by securities held by the fund may decline in response to certain events, including: those directly involving the companies whose securities are owned in the fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate fluctuations.

The fund may also hold cash or money market instruments. The size of the fund's cash position will vary and will depend on various factors, including market conditions and purchases and redemptions of fund shares. A larger cash position could detract from the achievement of the fund's objectives in a period of rising market prices; conversely, it would reduce the fund's magnitude of loss in the event of a general market downturn and provide liquidity to make additional investments or to meet redemptions.

The fund relies on the professional judgment of its investment adviser, Capital Research and Management Company, to make decisions about the fund's portfolio investments. The basic investment philosophy of the investment adviser is to seek attractively priced securities that represent above average long-term investment opportunities. The investment adviser believes that the best way to accomplish this is through fundamental analysis, including meeting with company executives and employees, suppliers, customers and competitors. Securities may be sold when the investment adviser believes they no longer represent good long-term value.

Other Important Investment Practices

In addition to the principal investment strategies described above, the fund has other investment practices that are described in this prospectus and in the statement of additional information.

The fund may invest up to 15% of its assets, at the time of purchase, in securities of issuers domiciled outside the U.S. and not included in the Standard & Poor's 500 Composite Index. Investments outside the U.S. may be subject to certain risks. For example, the prices of non-U.S. securities can decline in response to currency fluctuations or political, social or economic instability.

Additional Investment Results

Unlike the investment results table shown on an earlier page, the table below reflects the fund's results calculated without a sales charge.

Investment Results Table (without sales charges imposed)

Average annual total returns for periods ended December 31, 2002:

	One Year	Five Years	Ten Years	Lifetime ¹
Class A - began 1/1/34	-14.47%	3.96%	10.63%	12.82%
S&P 500 ²	-22.09%	-0.58%	9.34%	11.14%
Lipper Growth and Income Index ³	-17.89%	-0.62%	8.31%	N/A
Lipper Large-Cap Value Index ⁴	-19.68%	-0.39%	8.72%	N/A

Class A distribution rate at December 31, 2002: 2.17%⁵

(For current distribution rate information, please call American FundsLine at 1-800-325-3590.)

¹ Lifetime results are measured from the date Class A shares first became available.

² The Standard & Poor's 500 Composite Index is a market capitalization-weighted index based on the average weighted performance of 500 widely held common stocks. This index is unmanaged.

³ The Lipper Growth and Income Fund Index is an equally weighted performance index that represents funds that combine a growth-of-earnings orientation and an income requirement for level and/or rising dividends. The results of the underlying funds in the index include the reinvestment of dividends, capital gain distributions and brokerage commissions paid by the funds for portfolio transactions, but do not reflect sales charges or taxes. This index was not in existence as of the date the fund began investment operations in 1934; therefore, lifetime results are not available.

⁴ The Lipper Large-Cap Value Index is an equally weighted performance index that represents funds which, by practice, invest at least 75% of their equity assets in companies with large market capitalizations. Large-cap value funds seek long-term growth of capital by investing in companies that are considered to be undervalued relative to a major unmanaged stock index based on price-to-current earnings or other factors. The results of the underlying funds in the index include the reinvestment of dividends, capital gain distributions and brokerage commissions paid by the funds for portfolio transactions, but do not reflect sales charges or taxes. This index was not in existence as of the date the fund began investment operations in 1934; therefore, lifetime results are not available.

⁵ The distribution rate is based on actual distributions paid to shareholders over a 12-month period. Capital gain distributions are added back to the net asset value to determine the rate.

Largest Investment Categories as of December 31, 2002

	Percent of Net Assets
Food, beverage & tobacco	7.44%
Pharmaceuticals & biotechnology	6.73
Telecommunication services	6.71

Largest Industry Holdings as of December 31, 2002

	Percent of Net Assets
Pharmaceuticals	6.66%
Diversified telecommunication services	5.79
Beverages & tobacco	5.24
Oil & gas	5.13
Media	4.20

Largest Equity Holdings as of December 31, 2002

	Percent of Net Assets
Altria Group (formerly Philip Morris)	3.44%
Eli Lilly	2.34
SBC Communications	1.56
Viacom	1.52
Pharmacia	1.49
Fannie Mae	1.45
Dow Chemical	1.40
Lowe's	1.39
Bank of America	1.27
ChevronTexaco	1.27

Because the fund is actively managed, its holdings will change over time.

For updated information on the fund's portfolio holdings, please visit us at www.americanfunds.com.

Management and Organization

Investment Adviser

Capital Research and Management Company, an experienced investment management organization founded in 1931, serves as investment adviser to the fund and other funds, including those in The American Funds Group. Capital Research and Management Company, a wholly owned subsidiary of The Capital Group Companies, Inc., is headquartered at 333 South Hope Street, Los Angeles, CA 90071. Capital Research and Management Company manages the investment portfolio and business affairs of the fund. The total management fee paid by the fund, as a percentage of average net assets, for the previous fiscal year appears earlier in the Annual Fund Operating Expenses Table.

Multiple Portfolio Counselor System

Capital Research and Management Company uses a system of multiple portfolio counselors in managing mutual fund assets. Under this approach, the portfolio of a fund is divided into segments managed by individual counselors. Counselors decide how their respective segments will be invested, within the limits provided by a fund's objective(s) and policies and by Capital Research and Management Company's investment committee. In addition, Capital Research and Management Company's research professionals may make investment decisions with respect to a portion of a fund's portfolio. The primary individual portfolio counselors for The Investment Company of America are:

Portfolio Counselor/ Fund Title (if applicable)	Portfolio Counselor Experience in This Fund	Primary Title with Investment Adviser (or affiliate) and Investment Experience
R. Michael Shanahan Chairman of the Board and Chief Executive Officer	12 years (plus 7 years prior experience as a research professional for the fund)	Chairman of the Board and Principal Executive Officer, Capital Research and Management Company Investment professional for 38 years, all with Capital Research and Management Company or affiliate
James F. Rothenberg President and Director	9 years (plus 9 years prior experience as a research professional for the fund)	President and Director, Capital Research and Management Company Investment professional for 33 years, all with Capital Research and Management Company or affiliate
James B. Lovelace Senior Vice President and Director	11 years (plus 3 years prior experience as a research professional for the fund)	Senior Vice President and Director, Capital Research and Management Company Investment professional for 21 years, all with Capital Research and Management Company or affiliate

Portfolio Counselor/ Fund Title (if applicable)	Portfolio Counselor Experience in This Fund	Primary Title with Investment Adviser (or affiliate) and Investment Experience
Donald D. O'Neal Senior Vice President and Director	11 years (plus 4 years prior experience as a research professional for the fund)	Senior Vice President, Capital Research and Management Company Investment professional for 18 years, all with Capital Research and Management Company or affiliate
Gregg E. Ireland Senior Vice President	11 years (plus 9 years prior experience as a research professional for the fund)	Senior Vice President, Capital Research and Management Company Investment professional for 30 years, all with Capital Research and Management Company or affiliate
Joyce E. Gordon Vice President	2 years (plus 12 years prior experience as a research professional for the fund)	Senior Vice President, Capital Research Company Investment professional for 27 years, all with Capital Research and Management Company or affiliate
James E. Drasdo	16 years (plus 9 years prior experience as a research professional for the fund)	Senior Vice President, Capital Research and Management Company Investment professional for 31 years in total; 26 years with Capital Research and Management Company or affiliate
Dina N. Perry	9 years (plus 2 years prior experience as a research professional for the fund)	Senior Vice President, Capital Research and Management Company Investment professional for 25 years in total; 11 years with Capital Research and Management Company or affiliate
C. Ross Sappenfield	3 years (plus 6 years prior experience as a research professional for the fund)	Vice President and Director, Capital Research Company Investment professional for 11 years, all with Capital Research and Management Company or affiliate

Purchase, Exchange and Sale of Shares

Purchases and Exchanges

Class A shares are generally not available for retirement plans using the PlanPremier or Recordkeeper Direct recordkeeping programs.

Class R shares generally are available only to 401(k) plans, 457 plans, employer-sponsored 403(b) plans, profit sharing and money purchase pension plans, defined benefit plans, and non-qualified deferred compensation plans. Class R shares also are generally available only to retirement plans where plan level or omnibus accounts are held on the books of the fund. In addition, Class R-5 shares generally are available only to retirement plans with \$1 million or more in plan assets. Class R shares generally are not available to retail non-retirement accounts, traditional and Roth IRAs, Coverdell Education Savings Accounts, SEPs, SAR-SEPs, SIMPLE IRAs, individual 403(b) plans, and CollegeAmerica accounts.

Eligible retirement plans generally may open an account and purchase Class A or R shares by contacting any investment dealer (who may impose transaction charges in addition to those described in this prospectus) authorized to sell the fund's shares. Some or all R share classes may not be available through certain investment dealers. Additional shares may be purchased through a plan's administrator or recordkeeper.

Shares of the fund offered through this prospectus generally may be exchanged into shares of the same class of other funds in The American Funds Group. Exchanges of Class A shares from money market funds purchased without a sales charge generally will be subject to the appropriate sales charge.

The fund and American Funds Distributors, the fund's distributor, reserve the right to reject any purchase order for any reason. The fund is not designed to serve as a vehicle for frequent trading in response to short-term fluctuations in the securities markets. Accordingly, purchases that are part of exchange activity that the fund or American Funds Distributors has determined could involve actual or potential harm to the fund may be rejected.

The fund's transfer agent, on behalf of the fund and American Funds Distributors, is required by law to obtain certain personal information from you or persons acting on your behalf in order to verify your or such person's identity. If you do not provide the information, the transfer agent may not be able to open your account. If the transfer agent is unable to verify your identity or that of another person(s) authorized to act on your behalf, or if it believes it has identified potentially criminal activity, the fund and American Funds Distributors reserve the right to close your account or take any other action they deem reasonable or required by law.

Sales

Please contact your plan administrator or recordkeeper in order to sell shares from your retirement plan.

If you notify American Funds Service Company, you may reinvest proceeds from a redemption, dividend payment or capital gain distribution without a sales charge in any of the American Funds within 90 days after the date of the redemption or distribution.

Proceeds will be reinvested in the same share class from which the original redemption or distribution was made. Redemption proceeds of Class A shares representing direct purchases in the money market funds that are reinvested in non-money market funds will be subject to a sales charge. Proceeds will be reinvested at the next calculated net asset value after your request is received and accepted by American Funds Service Company.

Valuing Shares

The net asset value of each share class of the fund is the value of a single share. The fund calculates the net asset values, each day the New York Stock Exchange is open, as of approximately 4:00 p.m. New York time, the normal close of regular trading. Assets are valued primarily on the basis of market quotations. However, the fund has adopted procedures for making "fair value" determinations if market quotations are not readily available.

Your shares will be purchased at the net asset value (plus any applicable sales charge in the case of Class A shares), or sold at the net asset value next determined after American Funds Service Company receives and accepts your request.

Sales Charges

Class A Shares

The initial sales charge you pay when you buy Class A shares differs depending upon the amount you invest and may be reduced or eliminated for larger purchases as indicated below. Any applicable sales charge will be deducted directly from your investment.

Investment	Sales Charge as a Percentage of		Dealer Commission as % of Offering Price
	Offering Price	Net Amount Invested	
Less than \$25,000	5.75%	6.10%	5.00%
\$25,000 but less than \$50,000	5.00%	5.26%	4.25%
\$50,000 but less than \$100,000	4.50%	4.71%	3.75%
\$100,000 but less than \$250,000	3.50%	3.63%	2.75%
\$250,000 but less than \$500,000	2.50%	2.56%	2.00%
\$500,000 but less than \$750,000	2.00%	2.04%	1.60%
\$750,000 but less than \$1 million	1.50%	1.52%	1.20%
\$1 million or more and certain other investments described below	none	none	see below

Class A Purchases Not Subject to Sales Charge

Employer-sponsored defined contribution-type plans, including certain 403(b) plans, investing \$1 million or more or with 100 or more eligible employees, and Individual Retirement Account rollovers involving retirement plan assets invested in the American Funds, may invest with no sales charge and are not subject to a contingent deferred sales charge. Also exempt are investments made through accounts that purchased fund shares before March 15, 2001 and are part of certain qualified fee-based programs. The distributor may pay dealers up to 1% on investments made in Class A shares with no initial sales charge. The fund may reimburse the distributor for these payments through its Plans of Distribution (see below).

Certain other investors may qualify to purchase shares without a sales charge, such as employees of broker-dealer firms and registered investment advisers authorized to sell American Funds, and employees of The Capital Group Companies. Please see the statement of additional information for more information.

Class R Shares

Class R shares are sold with no initial or deferred sales charges. The distributor will pay dealers annually, asset-based compensation of 1.00% for sales of Class R-1 shares, 0.75% for Class R-2 shares, 0.50% for Class R-3 shares, and 0.25% for Class R-4 shares. No dealer compensation is paid on sales of Class R-5 shares. The fund may reimburse the distributor for these payments through its Plans of Distribution (see below).

Sales Charge Reductions

To receive a reduction in your Class A initial sales charge, you must let your investment dealer or American Funds Service Company know at the time you purchase shares that you qualify for such a reduction. If you do not let your dealer or American Funds Service Company know you are eligible for a reduction, you may not receive a sales charge discount to which you are otherwise entitled.

Reducing Your Class A Initial Sales Charge

Consistent with the policies described in this prospectus two or more retirement plans of an employer or employer's affiliates may combine all of their American Funds investments to reduce their Class A sales charge.

Concurrent Purchases

Simultaneous purchases of any class of shares of two or more American Funds may be combined to qualify for a reduced Class A sales charge. Direct purchases of money market funds are excluded.

Rights of Accumulation

The current value (or if greater, the amount invested less any withdrawals) of existing holdings in any class of shares of the American Funds may be taken into account to determine Class A sales charges. Direct purchases of money market funds are excluded.

Statement of Intention

Class A sales charges may be reduced by establishing a Statement of Intention. A Statement of Intention allows all non-money market fund purchases of all share classes intended to be made over a 13-month period to be combined in order to determine the applicable sales charge. At the request of a plan, purchases made during the previous 90 days may be included; however, capital appreciation and reinvested dividends and capital gains do not apply toward these combined purchases. A portion of the account may be held in escrow to cover additional Class A sales charges which may be due if total investments over the 13-month period do not qualify for the applicable sales charge reduction.

Individual Retirement Account (IRA) Rollovers

Assets from a retirement plan may be invested in Class A, B, C or F shares of the American Funds through an IRA rollover plan. All such rollover investments will be subject to the terms and conditions for Class A, B, C and F shares contained in the fund's current prospectus and statement of additional information covering these share classes.

An IRA rollover involving retirement plan assets that offered an investment option managed by any affiliate of The Capital Group Companies, Inc., including any of the American Funds, may be invested in:

- Class A shares at net asset value;
- Class A shares subject to the applicable initial sales charge;
- Class B shares;
- Class C shares; or
- Class F shares.

Retirement plan assets invested in Class A shares with a sales charge, or B, C or F shares are subject to the terms and conditions contained in the fund's current prospectus and statement of additional information. Advisers will be compensated according to the policies associated with each share class as described in the fund's current prospectus and statement of additional information.

Retirement plan assets invested in Class A shares at net asset value will not be subject to a contingent deferred sales charge and will immediately begin to accrue service fees. Dealer commissions on such assets will be paid only on rollovers of \$1 million or more.

Plans of Distribution

The fund has Plans of Distribution or "12b-1 Plans" under which it may finance activities primarily intended to sell shares, provided the categories of expenses are approved in advance by the fund's board of directors. The plans provide for annual expenses of up to 0.25% for Class A shares, 1.00% for Class R-1 shares, and up to 1.00%, 0.75% and 0.50% for Class R-2, R-3 and R-4 shares, respectively. For all share classes, up to 0.25% of these expenses may be used to pay service fees to qualified dealers for providing certain shareholder services. The amount remaining for each share class may be used for distribution expenses.

The 12b-1 fees paid by the fund, as a percentage of average net assets, for the previous fiscal year are indicated earlier in the Annual Fund Operating Expenses Table. Since these fees are paid out of the fund's assets or income on an ongoing basis, over time they will increase the cost and reduce the return of an investment.

Other Compensation to Dealers

American Funds Distributors may pay, or sponsor informational meetings for, dealers as described in the statement of additional information.

Distributions and Taxes

Dividends and Distributions

The fund intends to distribute dividends to you, usually in March, June, September and December. Capital gains, if any, are usually distributed in December. When a dividend or capital gain is distributed, the net asset value per share is reduced by the amount of the payment.

All dividends and capital gain distributions paid to retirement plan shareholders will automatically be reinvested.

Taxes on Dividends and Distributions

Dividends and capital gains distributed by the fund to retirement plan accounts currently are not taxable.

Taxes on Transactions

Distributions taken from a retirement plan account generally are taxable as ordinary income.

Please see your tax adviser for further information.

Financial Highlights¹

The financial highlights table is intended to help you understand the fund's results for the past five years. Certain information reflects financial results for a single share of a particular class. The total returns in the table represent the rate that an investor would have earned or lost on an investment in the fund (assuming reinvestment of all dividends and capital gain distributions). This information has been audited by PricewaterhouseCoopers LLP, whose report, along with the fund's financial statements, is included in the statement of additional information, which is available upon request.

	Income (loss) from investment operations ²			Dividends and distributions			Net asset value, end of period	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income to net assets
	Net asset value, beginning of period	Net investment income	Net (losses) gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions	Net asset value, end of period	Total return ³	
Class A:										
Year ended 12/31/2002	\$28.53	\$.49	\$(4.56)	\$(4.07)	\$(.52)	\$(.46)	\$(.98)	\$23.48	(14.47)%	\$46,129
Year ended 12/31/2001	31.07	.44	(1.87)	(1.43)	(.52)	(.59)	(1.11)	28.53	(4.59)	54,315
Year ended 12/31/2000	32.46	.56	.65	1.21	(.52)	(2.08)	(2.60)	31.07	3.84	56,212
Year ended 12/31/1999	31.07	.49	4.45	4.94	(.51)	(3.04)	(3.55)	32.46	16.55	56,095
Year ended 12/31/1998	28.25	.48	5.79	6.27	(.51)	(2.94)	(3.45)	31.07	22.93	48,498
Class R-1:										
Period from 6/6/2002 to 12/31/2002	27.27	.20	(3.36)	(3.16)	(.30)	(.35)	(.65)	23.46	(11.68)	1
Class R-2:										
Period from 5/21/2002 to 12/31/2002	28.23	.23	(4.34)	(4.11)	(.31)	(.35)	(.66)	23.46	(14.64)	24
Class R-3:										
Period from 6/4/2002 to 12/31/2002	27.58	.27	(3.69)	(3.42)	(.34)	(.35)	(.69)	23.47	(12.49)	24

	Income (loss) from investment operations ²				Dividends and distributions			Net asset value, end of period	Total return ³	Net assets, end of period (in millions)	Ratio of expenses to average net assets	Ratio of net income to average net assets
	Net asset value, beginning of period	Net investment income	Net (losses) gains on securities (both realized and unrealized)	Total from investment operations	Dividends (from net investment income)	Distributions (from capital gains)	Total dividends and distributions					
Class R-4:												
Period from 5/28/2002 to 12/31/2002	28.22	.32	(4.33)	(4.01)	(.39)	(.35)	(.74)	23.47	(14.31)	9	.69 ^{4,5}	2.25 ⁴
Class R-5:												
Period from 5/15/2002 to 12/31/2002	28.37	.39	(4.50)	(4.11)	(.43)	(.35)	(.78)	23.48	(14.59)	48	.37 ⁴	2.56 ⁴
Year ended December 31												
	2002	2001	2000	1999	1998							
Portfolio turnover rate for all classes of shares	27%	22%	25%	28%	24%							

¹ Based on operations for the period shown (unless otherwise noted) and, accordingly, may not be representative of a full year.

² Years ended 1999 and 1998 are based on shares outstanding on the last day of the year; all other periods are based on average shares outstanding.

³ Total returns exclude all sales charges.

⁴ Annualized.

⁵ During the start-up period for this class, Capital Research and Management Company voluntarily agreed to pay a portion of the fees relating to transfer agent services. Had Capital Research and Management Company not paid such fees, expense ratios would have been 2.43%, 1.57%, 1.11% and .73% for Class R-1, Class R-2, Class R-3 and Class R-4, respectively. Such expense ratios are the result of higher expenses during the start-up period and are not indicative of expense ratios expected in the future.

Notes

Notes

For Shareholder ServicesAmerican Funds Service Company
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Call your employer or plan administrator

For Dealer ServicesAmerican Funds Distributors
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Telephone conversations may be recorded or monitored for verification, recordkeeping and quality assurance purposes.

Multiple Translations This prospectus may be translated into other languages. If there is any inconsistency or ambiguity as to the meaning of any word or phrase in a translation, the English text will prevail.

Annual/Semi-Annual Reports to Shareholders The shareholder reports contain additional information about the fund including financial statements, investment results, portfolio holdings, a statement from portfolio management discussing market conditions and the fund's investment strategies, and the independent accountants' report (in the annual report).

Statement of Additional Information (SAI) and Codes of Ethics The Retirement Plan SAI contains more detailed information on all aspects of the fund, including the fund's financial statements, and is incorporated by reference into this prospectus. The Codes of Ethics describe the personal investing policies adopted by the fund and the fund's investment adviser and its affiliated companies.

The Codes of Ethics and current SAI have been filed with the Securities and Exchange Commission ("SEC"). These and other related materials about the fund are available for review or to be copied at the SEC's Public Reference Room in Washington, D.C. (202/942-8090) or on the EDGAR database on the SEC's Internet Web site at <http://www.sec.gov>, or, after payment of a duplicating fee, via e-mail request to publicinfo@sec.gov or by writing the SEC's Public Reference Section, Washington, D.C. 20549-0102.

Household Mailings Each year you are automatically sent an updated prospectus, annual and semi-annual report for the fund. You may also occasionally receive proxy statements for the fund. In order to reduce the volume of mail you receive, when possible, only one copy of these documents will be sent to shareholders that are part of the same family and share the same residential address.

If you would like to receive individual copies of these documents, or a free copy of the Retirement Plan SAI or Codes of Ethics, please call American Funds Service Company at 800/421-0180 or write to the Secretary of the fund at 333 South Hope Street, Los Angeles, California 90071.



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The Capital Group Companies

American Funds

Capital Research and Management

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